

## **16. Regional Transmission Organization**

### **Independent Power Producers of New York, Inc. (IPPNY)**

The State Energy Plan should encourage the State to work cooperatively with the Federal Energy Regulatory Commission in its efforts to develop a regional transmission organization.

The State Energy Plan should firmly endorse the concept of increasing the size of electric markets in which New York participates. As the federal government continues to encourage larger markets across the country, New York must take these developments into consideration when adopting any New-York-only regulations.

### **A.E.S. Ltd.**

A.E.S. supports the State Energy Plan's recommendation with respect to the northeast RTO and has the following concerns:

- Maintaining system reliability
- Development of market best practices
- Single independent governing body
- Need to develop fair, but less intrusive, market monitoring and mitigation procedures.

### **New York Public Interest Research Group**

We should not be moving to a Regional Transmission Organization or regional approach. Other states would have decisionmaking power over New York but do not have New York's interests at heart. The link between the consumer and the decision maker is further blurred.

### **Sustainable Energy Alliance, Suffolk County Electrical Agency, Long Island Coalition for Democracy**

No regional Independent System Operator. Keep the New York State Independent System Operator in place.

### **Better Queens Environment (BQE)**

Regionalization of transmission should be linked with regional cooperation to reduce pollution downwind of participating states. Joint efforts by states in the region to equalize tax rates of fossil fuels will also assist in the retention of local industries and jobs. BQE proposes that all regional coordination efforts address pollution reduction and fossil-fuel taxes.

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#### American Ref-Fuel

The State Energy Plan should work with the Federal Energy Regulatory Commission in its efforts to develop an effective Regional Transmission Organization.

#### New York State Electric and Gas (NYSEG)

NYSEG strongly supports a 3-region Regional Transmission Organization.

**Response:** The Energy Planning Board in the State Energy Plan supports working expeditiously toward a regional market in the Northeast. The Planning Board recognizes the concerns raised by some parties that decisionmaking power under an expanded regional market approach might be moved further from New York State's control and calls for the State to continue to participate in negotiations to bring about a regional market to ensure the incorporation of best practices and fair representation on the part of market participants, including affected State governments, in the common market governance structure. Any system for merging the NYISO into an expanded market must incorporate appropriate State and local reliability requirements and ensure that the reliable operation of New York's electric system. A future system must allow full participation of demand management resources in the competitive procurement process.

#### Supporting Comments (No responses are necessary in this section.)

#### New York Independent System Operator (NYISO)

With respect to the draft State Energy Plan's recommendations for a Regional Transmission Organization (RTO), NYISO is currently exploring the costs and benefits of a merger with the ISO-NE and the formation of a northeast RTO that may at some point include the eastern Canadian provinces. In response to the concerns expressed in the draft State Energy Plan, any such organization formed would in fact be operated in accordance with best practices and would be designed to incorporate local reliability requirements and, indeed, not shortchange the reliable operation of New York's integrated electric system. To accomplish these objectives, stakeholder working groups on market design and system implementation are being formed as part of the RTO Development Review Process.

#### Consolidated Edison Company of New York

Con Edison supports the Draft State Energy Plan's position that New York State support the development of a Regional Transmission Organization. We think that a well-functioning RTO will include in it a planning process that allows ample opportunities for

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market-based generation, transmission projects, and demand side measures to be used to meet the growing energy needs of the State.

We think consumers will benefit from the enhanced competition that will result from larger markets, but the pursuit of savings cannot come at the cost of degraded system reliability.

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